County Councillors Letter for October 2016

Both the Somerset County Council (SCC) and South Somerset District Council (SSDC) have on the last available date signed up to accept the "Godfather" like offer of the Department of Communities and Local Government *(DCLG*) for 4 years of annually diminishing Revenue Support Grant (RSG), culminating in the complete removal of any grant after 2020. The case of the SSDC is even worse because the final grant income of £269,000 is effectively paid in 2018/19 budget period and in the 2019/20 budget period the SSDC has to pay back the Government £330,000 of rate payer's money to help other councils.

The rationale of this extraordinary negative RSG requirement in 2020 stems from the fact that in 2016/17 the SSDC will receive income from the Government in the form of the following external grants;

a. Their share of the current estimated Business Rate income.

b. RSG.

c. Rural Services delivery grant.

Under the agreement the RSG for 2016/17 will be £1,675 million (m), in 2017/18 £0.803m and in 2018/19 £0.269m. In 2019/20 the RSG ceases, and instead a negative RSG is calculated by taking the previous years RSG of £0.269m adding expected council tax receipts of £8.443m plus business rates of £3.52 m and applying a scaling factor of 0.9605. This total of £12.232m x 0.9605 equals £11.749m of income, and this revised income figure is officially allocated to SSDC. Council Tax of £8.443m is then deducted along with the following year's business rates baseline of £3.64m, which leaves a negative RSG of £0.334m. This is then paid back to the DCLG via a business rates tariff.

It is not clear if this is to be an ongoing annual mulct or just a short term adjustment. Needless to say the leaders and accountants of both Councils have had face to face meetings with the Ministers in DCLG to protest and register their deep concerns, but there has been no offer to amend the existing scheme in general or the negative destructive tax on the SSDCs future business rate income, which is in effect an additional tax on the Business and Council Tax payers of the District and the County.

The general thrust is that the Treasury has set the rules and there is no more money or flexibility. The vote at both councils to accept the current four year "deal" was reluctant to say the least, but it was very clear that if that option had not been taken the whole future funding of the two local councils would have been totally uncertain, and any shortfall in Treasury funding to DCLG requiring cuts to local council budgets would have been made in the first place to those outside the set scheme and with little or no notice.

There is another source of local government income known as the New Homes Bonus (NHB) which is separate and entire from the above as it is purely house building focussed , whereby the SSDC is paid the D band rate of Council tax for 4 years on every new home that it provides in a given year ending in October, and in addition all affordable homes constructed earn a bonus of £350 per annum,£280 net after the 20% payable to the SCC, which is paid over the six years following completion, which in total amounts to £2100 per property. However this financial inducement to encourage the creation of housing is being reconsidered by the Government and the likelihood is that it will either be severely curtailed or cut entirely in the light of the required housing numbers entailed in any successful bid for Devolution.

The current bid for the Heart of the Southwest (HotSW) Devolution is still on going under the leadership of the SCC, but the response from the DCLG is that it will not be considered this year. However, the major focus in the New Year will be on the issuing of the United Kingdom's notice to leave the EU under Article 50 in March 2017, which will trigger the official beginning of at least 2 years of inevitably very complex and bureaucratically intensive negotiations involving every department and aspect of the governmental administration, so time for the relatively minor consideration of local devolution to a Combined Authority which does not want to accept the recently restated requirement for Mayoral Governance as a condition of full devolvement, is very unlikely to be a priority. It also makes it unlikely that time will be found to table and pass the Parliamentary Bill to grant the Somerset River Authority (SRA) the right to levy its own precept for future independent funding, so maybe the interim measure that had to be employed last year could have to be used again this year.

A week ago in a scrutiny committee in the SCC members were given a presentation covering the dangers and prevalence of Child Sexual Exploitation (CSE) in Somerset. It was an alarming and disturbing report with some short videos (depicted by actors) of victims describing the methods and inducements used to entrap them and showed very clearly that this practice is going on in Somerset in all levels of our society. In the next few days the SCC is to have a precursor Ofsted inspection by two inspectors which will last for two days to assess the current state of the council's child services, albeit that they are forecast to be £9.3 million (m) overspent at the end of this financial year, and see if the remedial work and Improvements that have been put in place by recruiting new social workers, reducing caseloads to 14, in line with authorities who have obtained good assessments, and the SCC's responses to the Essex County Council's peer review recommendations and assistance will be likely to improve the last full Ofsted inspection which rated the SCC service as "inadequate". If this short assessment is positive then then next full Inspection will happen within the next few of months at very short notice, and at the very least a "requires improving" or even an "adequate" grading is fervently hoped for. I think an overall "good" is too much to expect but with the current progress it should be attainable in the future The current round of 156 Ofsted inspection of Child Protection Services which began in

November 2013 and was due to complete in November 2016 but is now delayed until the end of 2017.

By the 25th of August 2015 Ofsted had published reports on 103 Local Authorities (LAs) of which 23% were graded as “good”, 57% as “requires improvement” and 20% as “inadequate” All these inspections and assessments are carried out on behalf of the Department of Education (DfE) who is responsible for the legal and policy frameworks within which LAs operate. It also operates with the Department of Health, the Home Office, the DCLG and the Ministry of Justice to address threats to children’s welfare such as CSE, radicalisation and gang culture. It issues statutory guidance which sets out the duty on LAs and their partners, such as the police and health services, to work together to protect children. It also sets the framework against which Ofsted inspects LA services.

In this context it is somewhat surprising that the DfE disclaims any responsibility beyond formal Intervention for improving services, though unsurprisingly it supports LAs to improve themselves and to test and share good practice.

The following factors are a telling illustration of the present and emerging problems with this aspect of the Care Programme

a. The number of children in UK increased by 550,000 (5%) between 2010 and 2014.

b. High profile cases such a Rotherham lead to more people reporting cases.

c. In 2014/15 the commonest risk was domestic violence (flagged in 48% of the assessments) or mental health concerns about the child or family members in 33% of cases.

In the past ten years the number of section 47 enquiries per 10,000 children has risen by 124%, and the number of children starting on child protection plans per 10000 children has increased by 94%. It is little wonder therefore that the budget for this statutory, multi-faceted and intensive human resource function is in unremitting overspend, but then if we want the next generation to grow up healthy and well-adjusted, it is a price worth paying.

Yours

Derek Yeomans

County Councillor for Curry Rivel and Langport.

District Councillor for Burrow Hill.